

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 3/10/2015	(3) CONTACT/PHONE Jeff Lee, Project Manager (805) 781-1043	
(4) SUBJECT Request to authorize the Director of Public Works to execute the Emergency and Imminent Community Water Assistance Grant (ECWAG) Document and accept funding from the United States Department of Agriculture (USDA) for the Intertie Project between County Service Area 23 (CSA23)/Atascadero Mutual Water Company (AMWC)/Garden Farms Community Water District (GFCWD); and authorize a budget adjustment in the amount of \$500,000 to appropriate the revenue and replenish reserves. District 5.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Authorize the Director of Public Works, or his designee, to prepare and execute any necessary documentation to obtain and utilize the ECWAG Agreement and accept funding in the amount of \$500,000 from USDA for the Intertie Project between CSA23/AMWC/GFCWD (Intertie Project); and 2. Authorize a budget adjustment, by a 4/5 vote, in the amount of \$500,000 to appropriate the revenue and replenish Flood Control District reserves. 			
(6) FUNDING SOURCE(S) Flood Control General and Water Conservation Fund (1300000000)	(7) CURRENT YEAR FINANCIAL IMPACT \$500,000.00 Revenue	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1415082 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 12/2/14, #18; 9/9/14, #24	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) District 5			

Reference: 15MAR10-C-11

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Jeff Lee, Project Manager

VIA: Mark Hutchinson, Deputy Director of Public Works

DATE: 3/10/2015

SUBJECT: Request to authorize the Director of Public Works to execute the Emergency and Imminent Community Water Assistance Grant (ECWAG) Document and accept funding from the United States Department of Agriculture (USDA) for the Intertie Project between County Service Area 23 (CSA23)/Atascadero Mutual Water Company (AMWC)/Garden Farms Community Water District (GFCWD); and authorize a budget adjustment in the amount of \$500,000 to appropriate the revenue and replenish reserves. District 5.

RECOMMENDATION

It is recommended that the Board:

1. Authorize the Director of Public Works, or his designee, to prepare and execute any necessary documentation to obtain and utilize the ECWAG Agreement and accept funding in the amount of \$500,000 from USDA for the Intertie Project between CSA23/AMWC/GFCWD (Intertie Project); and
2. Authorize a budget adjustment, by a 4/5 vote, in the amount of \$500,000 to appropriate the revenue and replenish Flood Control District reserves.

DISCUSSION

On January 17, 2014, Governor Edmund G. Brown Jr. proclaimed a State of Emergency as a result of the multi-year drought. On March 11, 2014, the Board of Supervisors proclaimed a State of Emergency for the County of San Luis Obispo. In response to the drought declarations, the California Department of Water Resources (DWR) directed the release of Integrated Regional Water Management (IRWM) Proposition 84 (Prop 84) drought funding. The Intertie Project was included in the San Luis Obispo County Regional Water Management Group (RWMG) recommended application materials.

On November 4, 2014, DWR announced that the San Luis Obispo County Flood Control and Water Conservation District (District) application was selected to receive \$6,323,610 in grant monies. This Project was allocated \$1,542,970 in DWR Grant funds with staff continuing to pursue the local match funding. The IRWM local match requirement for the Intertie Project is \$445,030. Staff was successful in obtaining grant approval from the USDA to reimburse the District up to \$500,000 in match funding and other project costs. Today's action is to accept the grant monies from the USDA on behalf of CSA 23 (Santa Margarita) and authorize the Director of Public Works, or his designee, to execute the Request for Obligation of Funds and other necessary documentation.

The Intertie Project will construct a 2.5-mile, 8-inch water pipeline along El Camino Real to interconnect the CSA 23, AMWC and GFCWD water systems. The proposed connections will give CSA 23 access to additional water supply sources that can supplement or supply drinking water in the event of drought or emergency.

OTHER AGENCY INVOLVEMENT/IMPACT

DWR is responsible for administering the IRWM grant program pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84).

The USDA is responsible for administering the ECWAG Funds.

AMWC and GFCWD own and operate their respective water systems and have expressed written support of the Intertie Project. The CSA 23 advisory group is periodically updated on the project status and supports implementation of the Intertie Project with Prop 84 and USDA grant funding.

County Counsel has reviewed and approved the documents as to legal form and effect.

FINANCIAL CONSIDERATIONS

When the Board, sitting as the District, approved the project and accepted the Drought Grant from Prop 84 IRWM funding and committed to the local match, total project costs were estimated at \$1,988,000. The IRWM grant was for \$1,542,970, leaving a local obligation of \$445,030.

Federal involvement has increased the total estimated project cost by \$60,000 to \$2,048,000, primarily to comply with federal environmental requirements. However, this federal ECWAG grant will off-set \$500,000 of the required local obligation, reducing the local obligation to \$5,030. This \$5,030 is the obligation of the Flood Control District. However, no action is needed by the Flood Control District at this time.

All expenditures will take place in the San Luis Obispo County Flood Control and Water Conservation District budget, Fund 1300000000. Federal revenues will be received by CSA23 and used to replenish reserves in Fund 1300000000. Once reimbursement agreements are in place, any further funding needs will be budgeted through the annual budget process or brought back to your Board for action.

RESULTS

Authorizing the Public Works Director to execute the USDA ECWAG documents will facilitate Prop 84 grant implementation efforts and provide matching funds for the project. Therefore, approving the recommendation will contribute to a safe, healthy, livable, prosperous and well-governed community.

Attachments: Vicinity Map
Letter of Conditions for the Emergency Community Water Assistance Grant Application

Reference: 15MAR10-C-11

File: WBS 300536

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ATTACHMENTS

1. Vicinity Map
2. Letter of Conditions for the Emergency Community Water Assistance Grant Application